

KEEGAN, WERLIN & PABIAN, LLP

ATTORNEYS AT LAW
265 FRANKLIN STREET
BOSTON, MASSACHUSETTS 02110-3113

(617) 951-1400

TELECOPIERS:
(617) 951-1354
(617) 951-0586

October 22, 2004

Mary L. Cottrell, Secretary
Department of Telecommunication and Energy
One South Station, 2nd Floor
Boston, MA 02202

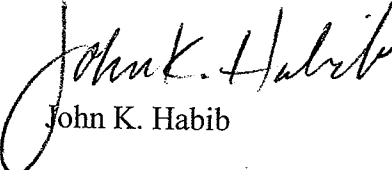
Re: D.T.E. 04-78 - Petition of Commonwealth Electric Company d/b/a NSTAR
Electric for Approvals Relating to the Assignment of Power Purchase Agreements
with Dartmouth PPA Holdings LLC

Dear Secretary Cottrell:

Enclosed please find the responses of Commonwealth Electric Company d/b/a NSTAR Electric ("Commonwealth") to discovery questions asked by the Attorney General and the Department of Telecommunications and Energy in the above-referenced proceeding, as listed on the following Discovery Log. Please note that certain documents that are responsive to these questions are confidential and are being filed under separate cover with the Attorney General and the Hearing Officer only.

Thank you for your attention to this matter.

Very truly yours,


John K. Habib

Enclosures

cc: Service List
Joan Foster Evans, Hearing Officer (2)
Colleen McConnell, Assistant Attorney General (2)

LOG OF RESPONSES FILED

D.T.E. 04-78

October 22, 2004

AG-1-1	Filed October 19	Attachments AG-1-1 (a), (b) and (c)
AG-1-2	Filed Herewith	Attachment AG-1-2 CONFIDENTIAL BULK (And CD-ROM)
AG-1-3	Filed October 21	Attachment AG-1-3 CONFIDENTIAL (And CD-ROM)
AG-1-4	Filed October 21	Attachment AG-1-4 (a) Attachment AG-1-4 (b) CONFIDENTIAL Attachment AG-1-4 (c) CONFIDENTIAL Attachment AG-1-4 (d) CONFIDENTIAL Attachment AG-1-4 (e) CONFIDENTIAL
AG-1-5	Filed Herewith	Attachment AG-1-5 (a) CONFIDENTIAL Attachment AG-1-5 (b) CONFIDENTIAL Attachment AG-1-5 (c) CONFIDENTIAL Attachment AG-1-5 (d) CONFIDENTIAL Attachment AG-1-5 (e) CONFIDENTIAL
AG-1-6	Filed Herewith	
AG-1-7	Filed October 19	
AG-1-8	Filed October 19	
AG-1-9	Filed October 21	
AG-1-10	Filed October 21	Attachment AG-1-10 (a) CONFIDENTIAL (and CD-ROM) Attachment AG-1-10 (b) CONFIDENTIAL (and CD-ROM)
AG-1-11	Filed October 21	Attachment AG-1-11
AG-1-12	Filed October 21	Attachment AG-1-12
AG-1-13	Filed October 21	Attachment AG-1-13 CONFIDENTIAL (and CD-ROM)
AG-1-14	Filed October 21	
AG-1-15	Filed October 21	
AG-1-16	Filed October 21	
AG-1-17	Filed October 21	
AG-1-18	Filed October 21	
AG-1-19	Filed October 21	Attachment AG-1-19 CONFIDENTIAL
AG-1-20	Filed October 21	Attachment AG-1-20 CONFIDENTIAL BULK
AG-1-21	Filed October 21	
AG-1-22	Filed October 21	
AG-1-23	Filed Herewith	
AG-1-24	Filed Herewith	Attachment AG-1-24 CONFIDENTIAL (And CD-ROM)
AG-1-25	Filed October 21	Attachment AG-1-25 BULK
AG-1-26	Filed October 21	
AG-1-27	Filed October 21	

AG-1-28	Filed October 21	
AG-1-29	Filed October 19	Attachment AG-1-29 BULK
AG-1-30	Filed October 19	Attachment AG-1-30 CONFIDENTIAL

Information Request AG-1-2

Please provide copies of all bids that include the Dartmouth contract. To the extent that later bids were communicated orally, please provide a history of those oral bids.

Response

CONFIDENTIAL ATTACHMENTS

Please refer to the Attachment AG-1-2 **CONFIDENTIAL**¹ for a copy of all of the bids that include Dartmouth. Please note that Bidder F's final bid may be found in Appendix A **CONFIDENTIAL** of the Petition.

¹ The Company has also provided the documents on a **CONFIDENTIAL CD-ROM**.

Information Request AG-1-5

Please indicate whether there were any bids in the 1999-2000 Initial Auction on the Dartmouth contract. If so, please provide copies of those bids along with all analyses of each bid done by and/or for the Company.

Response

CONFIDENTIAL ATTACHMENTS

In the 1999-2000 auction, the Company received five bids that included the Dartmouth Power contract, three portfolio bids and two partial portfolio bids. Please see Attachment AG-1-5(a) **(CONFIDENTIAL)**, Attachment AG-1-5(b) **(CONFIDENTIAL)**, Attachment AG-1-5(c) **(CONFIDENTIAL)**, Attachment AG-1-5(d) **(CONFIDENTIAL)** and Attachment AG-1-5(e) **(CONFIDENTIAL)** for copies of bids. Please see Attachment AG-1-5(f) **(CONFIDENTIAL)** for analyses of each bid, as performed by Navigant Consulting.

Information Request AG-1-6

Please indicate whether Concentric Energy Advisors have been or are presently employed by Dartmouth or any of its owners. If so, please provide a complete and detailed description of the services provide by Concentric.

Response

CEA has provided certain confidential market-assessment services for El Paso Energy, the owner of Dartmouth, with respect to geographic markets unrelated to Dartmouth. CEA provided confidential services to AIG Financial Products Corp. ("AIG-FP") from July 2003 to September 2003 in connection with AIG-FP's pursuit of the acquisition of a portfolio of power plants from the El Paso Corporation, one of which is the Dartmouth facility. Affiliates of AIG-FP own interests in and manage the investment partnership that purchased the portfolio of power plants from El Paso in July, 2004.

Information Request AG-1-23

Referring to Exhibit NSTAR-RBH-6, page 4, please provide citations to the Henwood Energy Service Inc.'s Northeast Electricity and Gas Price Outlook for each of the numbers on that page. To the extent that they are not directly shown in the Henwood document, please provide the additional workpapers, calculations, formulas, assumptions, and supporting documentation used to derive those numbers.

Response

Please refer to Attachment AG-1-20 (**CONFIDENTIAL**) for a complete copy of the Henwood Energy Service Inc.'s Northeast Electricity and Gas Price Outlook.

For the 2004 through 2006 power and gas prices shown on Exhibit NSTAR-RBH-6 (**CONFIDENTIAL**), page 3, please refer to Attachment AG-1-20 (**CONFIDENTIAL**), file named *Northeast Short Term Forecast Appendix _ May 2004*. The power prices may be found in the worksheet *Market Clearing Prices*, beginning with cell F31. These SEMA-RI power prices may be found in Attachment AG-1-13 (**CONFIDENTIAL CD-ROM**), on the worksheet, *Escalators*, beginning in cell G29. The power prices referred to above are escalated by 2.35 percent annually beginning in cell H29. The gas prices may be found in the same file, *Northeast Short Term Forecast Appendix _ May 2004*, in the worksheet *Gas Prices*, beginning with cell C7. These gas prices may be found in Attachment AG-1-13 (**CONFIDENTIAL CD-ROM**), on worksheet, *Escalators*, in cell T29. The gas prices referred to above are escalated by 2.35 percent annually beginning in cell U29.

For the 2007 through 2011 power prices shown on Exhibit NSTAR-RBH-6 (**CONFIDENTIAL**), page 4, please refer to Attachment AG-1-20 (**CONFIDENTIAL CD-ROM**) file named *Fall 2003 Northeast Monthly Prices*, in worksheet *NE-SEMARI*, beginning with cell P21. These SEMA-RI power prices may be found in Attachment AG-1-13, on the worksheet, *Escalators*, beginning in cell G61. The power prices referred to above are escalated by 2.35 percent annually beginning in cell H61.

For the 2007 through 2011 gas prices shown on Exhibit NSTAR-RBH-6 (**CONFIDENTIAL**), page 4, please refer to the file named *Fall 2003 Northeast Monthly Natural Gas Price*, worksheet *HH*, beginning with cell P11. These gas prices may be found in Attachment AG-1-13 (**CONFIDENTIAL CD-ROM**), on worksheet, *Escalators*, in cell T61. The gas prices referred to above are escalated by 2.35 percent annually beginning in cell U61.

Information Request AG-1-24

Referring to Exhibits NSTAR-RBH-5, and NSTAR-RBH-6, please recalculate the amounts shown on those exhibits, changing only the power and fuel costs and prices so that they are fixed at the most recent numbers for the entire period.

Response

Please refer to Attachment AG-1-24 **CONFIDENTIAL**¹ for a revised version of Exhibit NSTAR-RBH-6 (**CONFIDENTIAL**) using the most recent prices for the entire period of the analysis. Changing the Henwood Louisiana Spot gas forecast and the Henwood SEMA-RI power forecast in Exhibit NSTAR-RBH-6 (**CONFIDENTIAL**) to the most recent NYMEX gas forwards for November 2004 and the average ISO-NE LMP price for SEMA-RI would increase the percent savings from 4.68 percent to 21.56 percent. The currently prevailing gas and power prices that were utilized are shown in the table below.

	Source	Price (\$)
Gas	NYMEX Gas Futures (HH) October 18, 2004	\$6.806 /MMBtu
Power	ISO-NE Average SEMA LMP for October 19, 2004	\$47.71 / MWh

¹ The document is also being provided on a **CONFIDENTIAL CD-ROM**.